# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

STARRED QUESTION NO:163
ANSWERED ON:29.11.2001
IMPACT OF DEVALUATION OF MONEY ON OIL POOL ACCOUNT
RAMJI LAL SUMAN

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a) whether the devaluation of Indian rupee vis-Ã -vis American dollar is likely to have an adverse impact on our petroleum industry;

(b) if so, the details of assessment made by the Government in this regard;

(c) whether appreciation of rupee against dollar also affects the amount of oil pool account deficit;

(d) if so, the extent to which oil pool account deficit increased due to devaluation of rupee during 1999-2000 and 2000-2001; and

(e) the extent to which it is likely to increase during 2001-2002?

## Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO.163 T
ANSWERED ON 29-11-2001 REGARDING IMPACT OF DEVALUATION OF MONEY ON OIL POOL ACCOUNT.

(a) & (b): Devaluation of Indian rupee vis-Ã -vis American dollar will increase the cost of imports by the Petroleum industry but will also increase the amount realizable by them from the exports or from the domestic sale of products being sold on import parity basis.

(c): Yes, Sir.

(d): On account of the devaluation of rupee, the increase in oil pool account deficit is estimated to be around Rs.1,000 crore and Rs.3,300 crore during the years 1999-2000 and 2000-2001 respectively.

(e): The increase in oil pool account deficit is estimated to be around Rs.650 crore during the period from April 2001 to November 2001 on account of the devaluation of rupee.